



STATE OF ARKANSAS  
**Department of Finance  
and Administration**

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**MEMORANDUM**

**TO:** All State Agencies, Boards and Commissions, Service Bureau Agencies  
and Institutions of Higher Education

**ATTENTION:** **Chief Fiscal Officers and Purchasing Officials**

**FROM:** Joe Giddis, Director  
State Procurement

**DATE:** October 11, 2001

**SUBJECT:** Professional and Consultant Services Contracts (PCS)

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This memorandum is intended to provide clarification and guidance based on our experiences processing Professional and Consultant Services Contracts (PCS) contracts over the past month and includes direction provided by the Review subcommittee at their October meeting. **It is important that the guidance in this memorandum be given to those staff members responsible for preparing Professional and Consultant Services contracts.**

Work continues on the comprehensive review of the regulations governing professional and consultant services contracts. Office of State Procurement (OSP) will provide recommendations to the Review Subcommittee on changes to the regulations, the contract form, and the laws that will require legislative action as soon as the work of the cross functional team is concluded. As always, you can view relevant documents at <http://www.state.ar.us/dfa/purchasing/index.html>

The Review Subcommittee, as well as the Legislative Council has an increased interest in the "sole source" contracting process. Revised procedures for sole source procurement of professional and consultant services contracts were presented by OSP to the Legislative Council and adopted at the August 2001 meeting. Those revised procedures were provided in memorandum form to all State Agencies, Board and Commissions and Institutions of Higher Education, August 21, 2001. Based on our first month's experiences there are some points that require emphasis and some processes that require changes.

1. The posting of the legal notice as referenced in the August 21, 2001 memorandum is the responsibility of the agency.

2. The sole source justification and the properly completed contract forms may be forwarded to OSP for review for compliance with the sole source procurement justification

requirements. However, these sole source contracts including justification **must** be provided to OSP no later than 15 working days prior to the published date of the Review Subcommittee meeting date. All other PCS contracts documents must be provided to OSP no later than 10 working days prior to the published date of the Review Subcommittee meeting date. This change in due dates is required so that proper processing and review may be completed prior to submission to the Review Subcommittee.

3. A memo addressing each of the following questions **must accompany** a request for a sole source contract.

### SOLE SOURCE JUSTIFICATION

1. What method(s) were used to determine that a lack of responsible competition exists for this service?
2. Why is this service needed?
3. How was it determined that this service or provider possesses exclusive capabilities?
4. Can requirements be modified so that the services can be competitively bid? If not, why?
5. Are there patent or proprietary rights which make the required service unavailable from other sources?
6. What would the agency do if the service were no longer available?
7. Detail any program considerations, which make the use of a "Sole Source" critical to the successful completion of the task(s).

4. The use of the "Other" designation on the Professional and Consultant Services contract form is limited to specific uses. Prior to using that designation please contact Jerry Hester at [jerry.hester@dfa.state.ar.us](mailto:jerry.hester@dfa.state.ar.us) or (501)-371-6058.

5. Do not send vendor registration forms attached to PCS contract forms. Vendor numbers are assigned by a separate section of OSP. To ensure that your PCS vendors are entered into the State's master vendor list and are paid for services rendered, please follow these instructions: Vendor Maintenance Forms may be found on-line at <http://aasis.dfa.state.ar.us/forms.htm>. Provide the information requested and submit them to the Office of State Procurement at [AASIS-OSP@dfa.state.ar.us](mailto:AASIS-OSP@dfa.state.ar.us) or by fax to 501-324-9311. Vendors may also register on-line at <http://www.state.ar.us/dfa/purchasing/index.html>. This is the fastest and preferred method of vendor registration and puts the burden of providing correct information on the vendor.

6. If the source of funds will be changed in an amendment to an existing PCS contract the new source of funds must be listed. As with all entries on the contract forms, it is the agencies' responsibility to ensure the funding codes are correct and that funds are available.

7. Professional Consultant and Services contracts should be sent to OSP during the month as they are completed. Due to limited staff, the volume of contracts and the requirement to provide information for the Review subcommittee, contracts received 10 working days prior to the committee meeting will be processed for the next month's committee meeting. Please plan accordingly. If an "emergency" exists, the CFO or equivalent or director or division director of an agency, college or university may request an exception by e-mail [joe.giddis@dfa.state.ar.us](mailto:joe.giddis@dfa.state.ar.us) or may request suspension of the rules from the co-chairs of the committee. Please state circumstances, in detail, and why the contract cannot be reviewed at the next regularly scheduled review subcommittee meeting date.

8. Service Bureau agencies should send e-mail requests for PCS contracts, Purchase Requisitions and Goods Receipts to [OSP-PCS@dfa.state.ar.us](mailto:OSP-PCS@dfa.state.ar.us)

CC:

SEN Fitch, REP Hausam, Co-Chairs, Review SubCommittee

Dick Barclay

Tim Leathers

Tom Smith